

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS HATFIELD TO INTERROGATORY OF
UNITED PARCEL SERVICE
(UPS/USPS-T16-25)

The United States Postal Service hereby provides the response of witness Hatfield to the following interrogatory of United Parcel Service: UPS/USPS-T16-25, filed on September 8, 1997. A partial objection to interrogatory UPS/USPS-25 was filed on September 15, 1997.

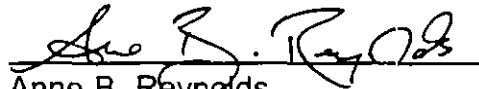
The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Rate-making


Anne B. Reynolds

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
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September 22, 1997

RESPONSE OF POSTAL SERVICE WITNESS HATFIELD
TO INTERROGATORY OF UNITED PARCEL SERVICE

UPS/USPS-T16-25. Have you or the Postal Service conducted any tests, surveys or analyses to confirm the transportation costs estimated to be saved or avoided under the DBMC Parcel Post Service? If so, please identify, describe and provide the results of all such tests, surveys, and analyses, and provide copies of all notes, reports, workpapers and other source documents used. If not, please explain how the Postal Service can confirm and substantiate the accuracy of estimated avoided costs for DBMC mailings.

RESPONSE:

I have not conducted any analyses or tests to confirm the transportation costs estimated to be avoided by DBMC Parcel Post. To my knowledge, the Postal Service has not produced any final reports on this topic either. The methodology presented in my testimony does not calculate the costs avoided by DBMC Parcel Post; therefore, it would not make sense to confirm or substantiate the accuracy of estimates that have not been made in this docket. The methodology presented in my testimony does, however, accurately estimate the unit transportation costs by zone for each of the three rate categories of Parcel Post: inter-BMC, intra-BMC, and DBMC. Since this methodology is new, no special studies have been conducted to verify the actual costs of inter-BMC, intra-BMC, and DBMC Parcel Post.

DECLARATION

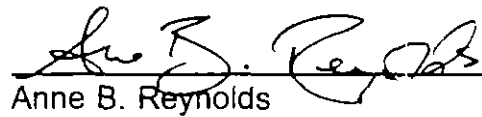
I, Philip A. Hatfield, declare under penalty of perjury that the foregoing answers are true and correct, to the best of my knowledge, information, and belief.

Philip A. Hatfield

Dated: 9-22-97

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


Anne B. Reynolds

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